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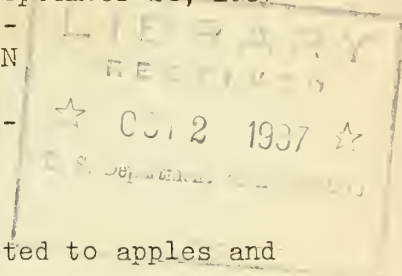
THE FRUIT SITUATION
(Apples and Grapes.)

Summary

The current issue of The Fruit Situation is devoted to apples and grapes.

Apples: Following one of the smallest crops on record, the 1937 apple crop is indicated to be one of the largest in the past decade. The increase in the total crop over the average is due entirely to heavy production in the Central and Atlantic Coast States. Production in the Western States is about the same as the 1931-35 average. Domestic demand, however, is expected to be better than for any year since 1930-31, and some improvement is also expected in foreign demand. Present prices of apples are below those of 1936 and it is probable they will continue so during the entire season. It is expected, however, that prices will average a little higher than in 1935. Even with lower prices than last year, the larger volume of apple sales this year probably will bring a larger gross cash income to growers than in 1936 and the largest since 1930.

Grapes: The 1937 grape crop in California is indicated to be the largest since 1928 and production of grapes in the other producing regions is above average. Partially offsetting the larger crop of grapes this year are smaller stocks of raisins, wine, and brandy. Demand for grapes and grape products is much improved over last year, and will largely offset the effect on prices of the large grape supplies, so that prices may average only slightly below those of last year. If this year's large crop can be disposed of at prices near those of 1936, gross cash income to growers may be from 15 to 20 percent above that of 1936 and the largest since 1929.



THE APPLE SITUATION

BACKGROUND.- Apple production fluctuates widely from year to year and, particularly during the past 10 or 12 years (see figure 1), large and small crops have occurred alternately with marked regularity. Since 1920 there has been no marked trend in apple production, which averaged about 160 million bushels from 1920-21 to 1936-37, although during the same period the number of apple trees was reduced 35 to 40 percent (figure 2). This reduction in tree numbers was not accompanied by a material decrease in production because of a marked increase in total yield per bearing tree.

Supply: Second largest in 10 years

Following one of the smallest crops on record, the 1937 apple crop is indicated to be one of the largest in the past decade. Based on conditions as of September 1, the total United States crop is indicated at 204 million bushels, which is more than one-fourth larger than the 1931-35 average production and almost three-fourths larger than the 1936 crop. The increase in the total 1937 crop over the average is due entirely to heavy production in the Central and Atlantic Coast States, as production in the Western States is about average 1/.

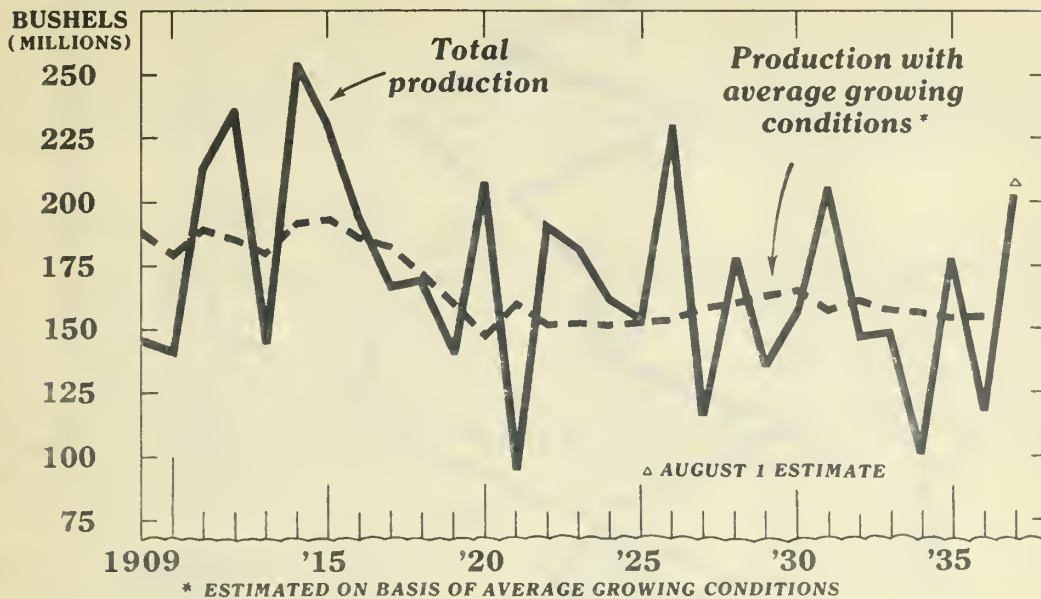
Table 1.- Apples: Production by regions, average 1931-35, annual 1936 and 1937

Region	Average 1931-35	1936	Indicated 1937	1937 as percentage of average
	1,000 bushels	1,000 bushels	1,000 bushels	Percent
North Atlantic <u>1/</u>	41,480	29,011	54,180	130.6
South Atlantic <u>2/</u>	26,945	19,935	39,029	144.8
Total Atlantic	68,425	48,946	93,209	136.2
North Central <u>3/</u>	32,809	17,593	46,987	143.2
South Central <u>4/</u>	7,265	3,214	11,131	153.2
Total Central	40,074	20,807	58,118	145.0
Rocky Mountain <u>5/</u>	8,504	6,581	8,720	102.5
Pacific Coast <u>6/</u>	43,905	41,172	44,272	100.8
Total Western	52,409	47,753	52,992	101.1
Total United States	160,909	117,506	204,319	127.0

1/ Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania. 2/ Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia. 3/ Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, South Dakota, Nebraska, Kansas. 4/ Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Texas. 5/ Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada. 6/ Washington, Oregon, California. 7/ Includes some quantities not harvested.

1/ See footnotes to table 1 for States included in these groups.

Apples: Total U.S. Production and Production with Average Growing Conditions, 1909 to Date



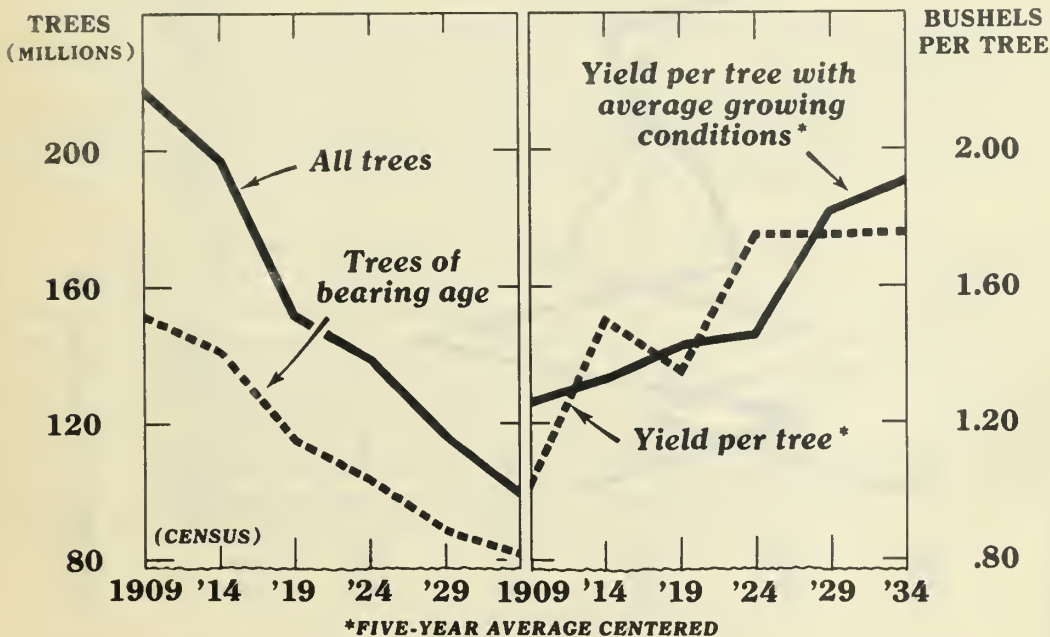
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FIGURE 1

Apples: Number of Trees and Average Yield Per Tree*, 1909 to Date



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FIGURE 2

APPLES: INDEXES OF PRODUCTION AND PRICES

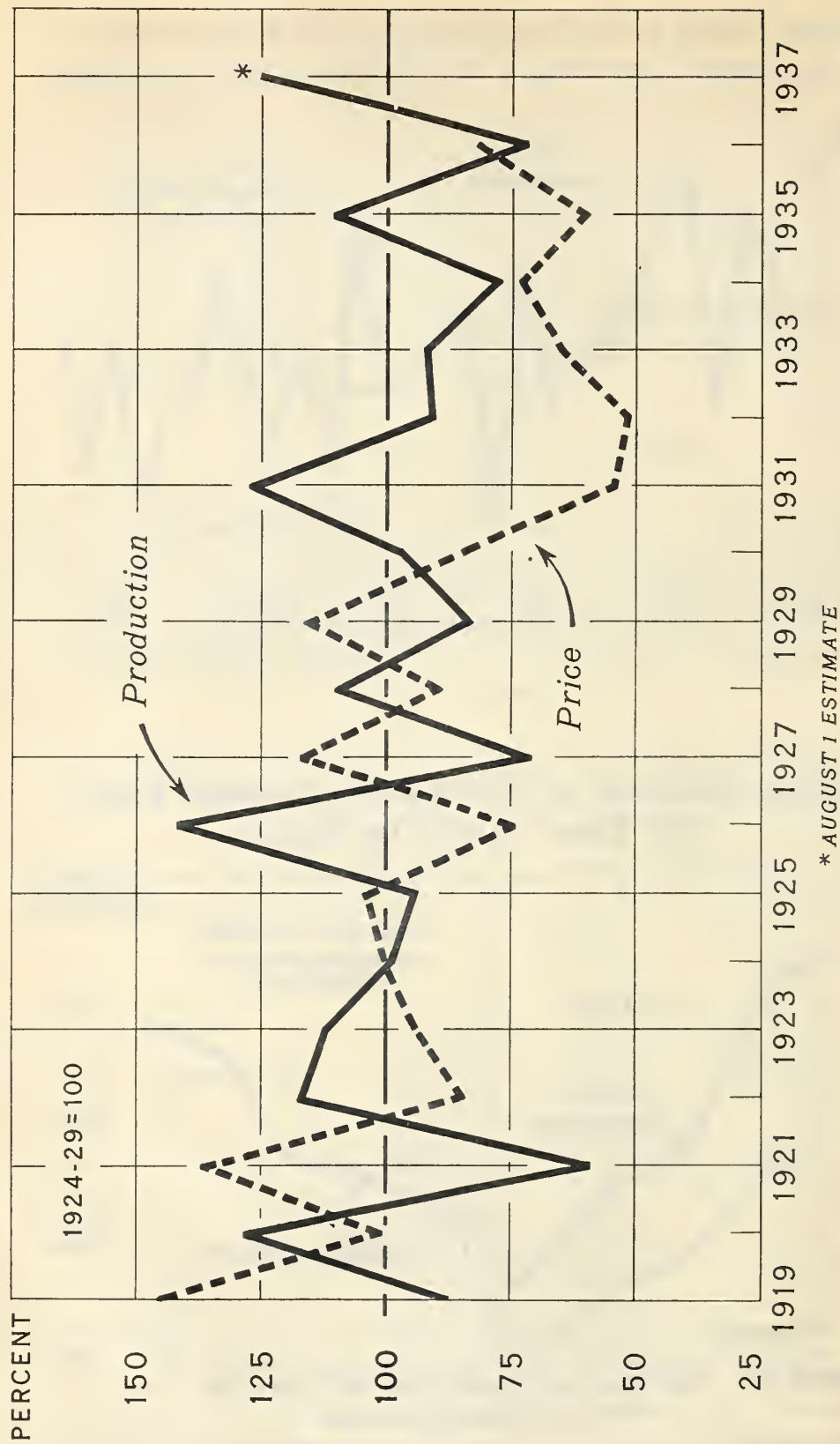


FIGURE 3.-

Production in Atlantic Coast States

Total production of apples in the Atlantic Coast States is indicated at more than 93 million bushels. This is nearly twice as large as the small crop of 1936 and more than one-third larger than average. Exceptionally large crops are in prospect in New York, Pennsylvania, Virginia, and West Virginia, the principal producing States of this region, and in all but a few of the remaining States the indicated 1937 production is considerably above average.

Production in Central States

The 1937 apple crop in the Central States is indicated at 58 million bushels, which is almost 3 times as large as last year's small crop and nearly half again as large as the 1931-35 average. As in the Atlantic Coast States, all of the principal producing States and most of the other States in this region have large crops in prospect. The 5 States, Michigan, Ohio, Illinois, Missouri and Kentucky, had an average total production of 27 million bushels during the 5-year period 1931-35. This year's prospective crop in these States is 42 million bushels.

Production in Western States

In the Western States this year's crop is indicated at 53 million bushels, only 1 percent above the 1931-35 average, but 11 percent larger than the 1936 crop. Prospective production in Washington and Oregon is slightly below average, but the crop in Idaho is slightly above average and that in California about 12 percent higher.

Movement of apples to market

The total of carlot shipments of apples for the 1937 season through September 11 is slightly less than the total for the like period of 1936. Carlot shipments from the Central and Atlantic Coast States have been heavier than a year ago, but the increase has been more than offset by smaller shipments thus far from the Pacific Northwest. Relatively small shipments to date from Washington and Oregon are due largely to a late season.

Carlot shipments cannot be taken as an entirely reliable indication of the total movement of apples to market, particularly from producing regions relatively close to consuming centers, because of the considerable increase in truck shipments during recent years. In 1930, 22 percent of the apples marketed in 4 important terminal markets were shipped by truck. Five years later the percentage of truck shipments to the same 4 markets had increased to 42 percent. Figures are not available on total truck shipments, but it is likely that the volume of apples moved by truck this year is larger than that of last year. Consequently, total movement of apples to market thus far this season, has probably been greater than indicated by carlot shipments.

Production of other fruits

Large supplies of all deciduous fruits are in prospect this year. The peach crop is above average; the pear crop is of record size; and the grape crop is the largest in 9 years. The extent to which these other fruits compete with apples is not known, but undoubtedly they are a factor of some importance.

Demands Very Promising

Consumer buying power this year is much improved over that of last season, and the domestic demand for apples is expected to be better than for any year since 1930-31.

Table 2 gives the monthly indexes of nonagricultural income, which reflect changes in consumer buying power. The April-to-March average of monthly indexes of income has been taken to represent the level of demand during each apple marketing season, since there is apparently some lag in translating changes in income into changes in demand for apples. This procedure also centers the average at the time of heaviest shipment of apples to market. If the index of nonagricultural income remains near the July figure of 97.6 for the remainder of 1937, as now seems likely, the April-to-March average this season will be about 97 percent of the 1924-29 average. This would be about 8 percent greater than the average of last season and about the same as in 1930-31.

Prices and Income to Growers

Prices of apples this season to date have averaged considerably below those of last year, and it is expected that they will continue below the 1936 prices during the remainder of the season. The improvement in demand over last year will not be sufficient to offset the effect of the exceptionally large supplies, and lower average prices than last year will result for growers in all producing areas. It is probable, however, that prices will average a little higher than in 1935, when the crop was smaller but demand conditions were much less favorable. The volume of apples which will be sold this year, however, will be so large that, despite lower prices, the gross cash income to apple growers will probably be a little larger than in 1936 and the largest since 1930.

The 15th of the month average prices received by growers in June and July (the first 2 months of the marketing season) were higher this year than last. The explanation is twofold. In the first place, the season was late and the volume of new apples was small during June and early July. Secondly, prices of old apples at the end of the 1936-37 season were very high, and since old apples are not entirely disposed of until in July their prices would affect the average farm price in the first 2 months of the new marketing season. In August, however, when supplies were heavier, the average price to growers this year fell below that of 1936. In terminal markets prices of all varieties averaged considerably lower during the first half of September this year than a year ago, but in most cases were higher than in September 1935.

Table 2.-- Indexes of nonagricultural income, by months, adjusted for seasonal variation, April 1919 to July 1937

$$(1924-29 = 100)$$
[illegible]

Table 3.-Apples, eastern: L.C.L. price per bushel, New York, by months, 1932-33 to 1937-38

Variety : and season :	Sept. :	Oct. :	Nov. :	Dec. :	Jan. :	Feb. :	Mar. :	Apr. :	May :	Av. :
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Wealthy:										
1932-33	.81	.92	---	---	---	---	---	---	---	.86
1933-34	.93	1.00	---	---	---	---	---	---	---	.96
1934-35	1.21	1.37	---	---	---	---	---	---	---	1.29
1935-36	.68	.79	---	---	---	---	---	---	---	.74
1936-37	1.16	1.28	---	---	---	---	---	---	---	1.22
1937-38	<u>1</u> / .86		---	---	---	---	---	---	---	
McIntosh:										
(N.Y.State):										
1932-33	1.06	1.13	1.18	1.10	1.15	1.13	1.25	1.53	---	1.19
1933-34	1.10	1.15	1.37	1.46	1.51	1.60	1.70	1.97	---	1.48
1934-35	1.61	1.95	2.05	1.98	1.88	1.98	1.65	1.61	1.95	1.85
1935-36	.98	1.08	1.34	1.35	1.27	1.31	1.27	1.45	1.48	1.28
1936-37	1.50	1.85	1.99	1.92	1.88	2.03	2.33	2.50	2.83	2.09
1937-38	<u>1</u> / 1.35									
Greening: <u>2</u> :										
1932-33	---	.72	.76	.78	.71	.75	.93	<u>3</u> / 1.27	---	.85
1933-34	.98	1.03	1.21	1.18	1.34	1.55	---	---	---	1.22
1934-35	1.13	1.11	1.30	1.23	1.23	1.21	1.28	1.24	---	1.22
1935-36	.79	.73	1.01	1.07	1.01	1.12	1.02	---	---	.96
1936-37	1.09	1.19	1.36	1.33	1.31	1.39	1.68	---	---	1.34
1937-38	<u>1</u> / .78									
Baldwin:										
1932-33	---	---	<u>3</u> / .85	<u>3</u> / .72	1.08	1.11	---	1.09	1.02	.98
1933-34	---	.83	.85	.84	.89	1.04	1.30	1.33	1.44	1.06
1934-35	---	1.13	---	1.33	1.44	1.42	1.41	---	1.53	1.38
1935-36	---	.61	.72	.93	.95	.97	.89	.99	1.02	.88
1936-37	---	1.06	1.18	1.34	1.39	1.49	1.70	2.04	2.12	1.54
1937-38										

1/ Average through September 11.2/ Includes Rhode Island Greening and Northwestern Greening.3/ Less than 10 quotations.

Table 4.- Apples, Western: Weighted average auction price per box, New York, by months, 1932-33 to 1937-38

Variety and season	July		Aug.		Sept.		Oct.		Nov.		Dec.		Jan.		Feb.		Mar.		Apr.		May		June		July		Average	
	Dol.		Dol.		Dol.		Dol.		Dol.		Dol.		Dol.		Dol.		Dol.		Dol.		Dol.		Dol.		Dol.		Dol.	
Gravenstein:																												
1932-33	1.60	1.21	1.57	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	1.37
1933-34	1.92	1.58	1.31	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	1.52
1934-35	2.11	2.03	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	2.06
1935-36	---	1.54	1.85	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	1.57
1936-37	2.20	1.99	1.60	1.00	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	1.96
1937-38	1.83	1.29	1/.95	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	1/	1.31
Delicious: 1/																												
1932-33	---	---	2.12	1.71	1.64	1.61	1.44	1.44	1.44	1.44	1.61	1.44	1.44	1.44	1.44	1.44	1.58	1.94	1.94	1.94	1.92	1.92	1.79	.80	---	---	---	1.63
1933-34	---	---	---	2.43	1.85	1.94	2.13	2.43	2.43	2.43	2.13	2.43	2.43	2.43	2.48	2.48	2.38	2.33	2.33	2.33	2.21	1.82	1.82	1.51	---	---	---	2.13
1934-35	---	---	---	2.03	1.90	1.93	1.90	1.90	1.93	1.93	1.90	1.93	1.93	1.93	1.75	1.72	1.70	1.99	1.99	1.99	2.22	2.08	2.08	---	---	---	---	1.86
1935-36	---	---	---	2.10	1.76	2.00	1.92	1.92	1.92	1.92	1.92	1.92	1.92	1.92	1.88	1.88	1.79	1.92	1.92	1.92	1.86	1.63	1.63	1.53	---	---	---	1.86
1936-37	---	---	---	2.05	2.16	2.24	2.38	2.48	2.48	2.48	2.38	2.48	2.48	2.48	2.68	2.68	2.72	2.84	2.84	2.84	3.02	2.97	2.97	1.65	---	---	---	2.50
1937-38	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Winesap: 1/																												
1932-33	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
1933-34	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
1934-35	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
1935-36	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
1936-37	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
1937-38	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Average of varieties shown above:																												
1932-33	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
1933-34	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
1934-35	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
1935-36	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
1936-37	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
1937-38	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Average of varieties shown above:																												
1932-33	1.60	1.21	1.69	1.55	1.49	1.51	1.38	1.38	1.38	1.36	1.36	1.31	1.52	1.60	1.73	1.50	---	---	---	---	---	---	---	---	---	---	---	---
1933-34	1.92	1.58	1.45	1.69	1.71	1.92	2.06	2.06	2.06	2.19	2.19	2.07	2.15	2.00	1.80	1.50	---	---	---	---	---	---	---	---	---	---	---	---
1934-35	2.11	1.89	1.71	1.74	1.80	1.76	1.61	1.61	1.61	1.59	1.59	1.83	2.17	2.41	2.41	2.11	---	---	---	---	---	---	---	---	---	---	---	---
1935-36	---	1.54	1.79	1.70	1.93	1.84	1.70	1.70	1.70	1.81	1.81	1.72	1.79	1.77	1.78	1.84	---	---	---	---	---	---	---	---	---	---	---	---
1936-37	2.20	1.98	1.79	2.06	2.09	2.21	2.28	2.28	2.28	2.41	2.41	2.34	2.43	2.42	2.29	2.08	---	---	---	---	---	---	---	---	---	---	---	---
1937-38	1.83	1.29	2/.96	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

1/ Average through September 11.

2/ Average for season includes a price in August for old-crop apples as follows: Delicious, 1933-34, \$0.67; Winesap, 1932-33, \$1.55; 1933-34, \$1.44; 1936-37 \$2.14.

Larger Exports Anticipated

A much larger volume of apples will be exported from the United States to European countries, chiefly England and France, this year than in the 1936-37 season. The principal reason for this is the prospective large domestic crop and low prices compared with last year. Ordinarily the volume of apple exports, particularly of fresh apples, is largely dependent on domestic supply and demand conditions.

Table 6.-Apples: Domestic exports from the United States,
1927-28 to 1936-37

Year	Fresh	Canned in terms of fresh	Dried in terms of fresh	Total	Percentage of production
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Percent
1926-27	21,292	675	4,764	26,731	11.6
1927-28	9,430	573	3,165	13,168	11.4
1928-29	21,042	1,151	7,295	29,488	16.6
1929-30	10,279	836	3,466	14,581	10.8
1930-31	20,340	640	5,559	26,539	16.9
1931-32	18,030	695	4,602	23,327	11.4
1932-33	13,754	748	5,690	20,192	13.8
1933-34	12,261	439	6,297	18,997	12.8
1934-35	8,062	561	3,571	12,194	9.7
1935-36	12,239	900	5,032	18,171	10.2
1936-37	6,284	503	3,103	9,890	8.4

Prospects for apple production in most European countries point to smaller crops than last year. This fact, coupled with improved demand conditions in many countries, should mean a somewhat better foreign demand for American apples this season than in 1936-37. In England the apple crop is much smaller than a year ago, but the effect on United States exports of this situation may be partially offset by a relatively large Canadian crop. The apple crop in France is also smaller than a year ago. In addition, the French import license tax on apples has been reduced 50 percent, which may encourage imports of American apples. Prospects for apple exports to Germany are not good. Germany's foreign trade policy in recent years has resulted in a tremendous reduction in the volume of that country's international trade, and has been particularly unfavorable to agricultural products of the United States.

Table 7.- Apples: Production, value and weighted average farm price by regions, 1919-35

Year	Unit	Atlantic Coast States			Central States			Western States	Total United States
		North	South	Total	North	South	Total		
		Atlantic	Atlantic		Central	Central			
1919									
Prod.	:1,000 bu.:	33,598	17,828	51,426	26,519	12,627	39,146	50,060	140,632
Value	: " dolls.:	61,470	28,780	90,250	51,340	21,932	73,272	82,447	245,969
Price	: Dolls. :	1.83	1.61	1.75	1.94	1.74	1.87	1.65	1.75
1920									
Prod.	:1,000 bu.:	73,126	32,777	105,903	49,952	14,402	64,354	36,431	206,688
Value	: " dolls.:	70,586	35,491	106,077	67,456	25,845	93,301	53,592	252,970
Price	: Dolls. :	.97	1.08	1.00	1.35	1.79	1.45	1.47	1.22
1921									
Prod.	:1,000 bu.:	20,908	3,357	24,265	13,285	3,216	16,501	54,872	95,638
Value	: " dolls.:	38,340	6,637	45,007	26,587	5,953	32,540	79,066	156,613
Price	: Dolls. :	1.83	1.99	1.85	2.00	1.85	1.97	1.44	1.64
1922									
Prod.	:1,000 bu.:	50,218	24,837	75,105	47,143	14,850	61,993	52,327	189,425
Value	: " dolls.:	48,084	24,320	72,404	50,164	16,925	67,089	54,643	194,136
Price	: Dolls. :	.96	.98	.96	1.06	1.14	1.08	1.04	1.02
1923									
Prod.	:1,000 bu.:	41,386	24,191	65,577	44,640	8,676	53,316	62,022	130,915
Value	: " dolls.:	50,908	26,340	77,248	48,661	12,575	61,236	65,916	204,400
Price	: Dolls. :	1.23	1.09	1.18	1.09	1.45	1.15	1.06	1.13
1924									
Prod.	:1,000 bu.:	38,913	31,944	70,857	30,129	15,981	46,110	43,490	160,457
Value	: " dolls.:	47,006	30,780	77,786	37,034	19,737	56,771	58,748	193,305
Price	: Dolls. :	1.21	.96	1.10	1.23	1.24	1.23	1.35	1.21
1925									
Prod.	:1,000 bu.:	41,837	18,422	60,259	32,280	8,694	40,974	51,191	152,424
Value	: " dolls.:	52,583	20,561	73,144	39,661	12,084	51,745	65,789	190,678
Price	: Dolls. :	1.26	1.12	1.21	1.23	1.39	1.26	1.29	1.25
1926									
Prod.	:1,000 bu.:	61,181	45,723	106,904	44,968	14,724	59,692	63,060	229,656
Value	: " dolls.:	53,889	32,094	85,983	44,845	13,627	58,472	59,293	203,748
Price	: Dolls. :	.88	.70	.80	1.00	.93	.98	.95	.90
1927									
Prod.	:1,000 bu.:	27,694	15,873	43,567	21,702	3,286	24,988	47,153	115,708
Value	: " dolls.:	41,044	21,903	62,947	32,762	5,028	37,790	61,045	161,782
Price	: Dolls. :	1.48	1.38	1.44	1.51	1.53	1.51	1.29	1.40

- Continued

Table 7.- Apples: Production, value and weighted average farm price by regions, 1919-35 Cont'd.

Year	Unit	Atlantic Coast States			Central States			Western States	Total United States
		North	South	Total	North	South	Total		
		Atlantic	Atlantic		Central	Central			
1928									
Prod.	:1,000 bu.:	36,783	35,686	70,469	29,009	10,040	39,049	68,295	177,813
Value	: " dolls.:	47,937	29,959	77,396	34,759	12,205	46,964	67,519	192,379
Price	: Dolls. :	1.30	.89	1.11	1.20	1.22	1.20	.99	1.08
1929									
Prod.	:1,000 bu.:	30,207	25,055	55,262	22,835	5,231	28,066	51,764	135,092
Value	: " dolls.:	46,385	30,432	76,817	34,381	7,157	41,538	68,981	187,336
Price	: Dolls. :	1.54	1.21	1.39	1.51	1.37	1.48	1.33	1.39
1930									
Prod.	:1,000 bu.:	49,096	18,880	67,976	19,885	4,570	24,455	64,186	156,617
Value	: " dolls.:	49,949	20,420	70,369	26,269	6,279	32,548	57,198	160,115
Price	: Dolls. :	1.02	1.08	1.04	1.32	1.37	1.33	.89	1.02
1931									
Prod.	:1,000 bu.:	42,411	45,144	87,555	51,654	12,830	64,484	53,364	205,403
Value	: " dolls.:	34,071	22,487	56,558	31,289	9,599	40,888	35,829	133,275
Price	: Dolls. :	.80	.50	.65	.61	.75	.63	.70	.65
1932									
Prod.	:1,000 bu.:	49,212	16,948	66,160	21,948	3,928	25,876	54,813	146,849
Value	: " dolls.:	32,035	10,983	43,018	15,304	3,012	18,316	27,291	88,625
Price	: Dolls. :	.65	.65	.65	.70	.77	.71	.54	.60
1933									
Prod.	:1,000 bu.:	40,084	23,227	63,311	27,070	8,105	35,175	50,171	148,657
Value	: " dolls.:	35,899	16,617	52,516	22,273	6,769	29,042	31,098	112,656
Price	: Dolls. :	.90	.72	.83	.82	.84	.83	.68	.78
1934									
Prod.	:1,000 bu.:	29,954	18,874	48,828	20,969	5,825	26,794	50,097	125,719
Value	: " dolls.:	32,472	16,970	49,442	21,100	5,336	26,436	36,523	112,401
Price	: Dolls. :	1.08	.90	1.01	1.01	.92	.99	.73	.88
1935									
Prod.	:1,000 bu.:	45,742	30,531	76,273	42,407	5,635	48,042	53,601	177,916
Value	: " dolls.:	38,184	21,898	60,082	30,575	5,144	35,719	29,602	125,403
Price	: Dolls. :	.83	.72	.79	.72	.91	.74	.60	.71
1936									
Prod.	:1,000 bu.:	29,011	19,935	48,946	17,593	3,214	20,807	47,753	117,506
Value	: " dolls.:	34,008	19,722	53,730	20,017	3,734	23,751	39,405	116,886
Price	: Dolls. :	1.17	.99	1.10	1.14	1.16	1.14	.825	.98
1937									
Prod.	:1,000 bu.:	54,180	39,029	93,209	46,987	11,131	58,118	52,992	204,319

THE GRAPE SITUATION

BACKGROUND.- California produces between 85 and 90 percent of the total grapes raised in the United States. Bearing acreage of grapes in California increased rapidly during the early 1920's, reaching a peak in 1926. Since then, bearing acreage has declined each year, but the rate of decline since 1933, when the prohibition amendment was repealed, has been rather slow. Production followed a downward trend from 1927 to 1933, but since 1933 the trend seems to be slightly upward. (figure 4).

Of the remaining 10 to 15 percent of the total United States grape crop about four-fifths are produced in the following six States (arranged in order of importance): New York, Michigan, Ohio, Pennsylvania, Arkansas, and Missouri. Production of the balance of the crop is divided among the remaining 41 States. There has been no pronounced trend in production of grapes in the principal producing regions outside of California, although, as in California, crops fluctuate rather widely in size from year to year.

Supply: Products in California Near Record

Based on September 1 conditions, the 1937 grape crop in California is indicated to be the largest in the past 9 years, and except for the crops in 1927 and 1928, the largest in the history of the State. With present bearing acreage about one-fifth less than in 1927 and 1928, the average yield this year is the highest on record. The total crop is indicated at 2,262,000 tons, compared with 1,714,000 tons in 1936 and the 1931-35 average of 1,760,000.

Table 8.- Grapes: Production by regions, average 1931-35, annual 1936 and 1937

Regions	: Average : : 1931-35 ^{1/} :	: 1936 :	: Indicated : : 1937 :	: 1937 as : : percentage : : of average :
	: Short tons	Short tons	Short tons	Percent
California:	: 1,760,000	1,714,000	2,262,000	128.5
Raisin varieties	: 1,018,400	918,000	1,343,000	131.9
Table varieties	: 307,400	324,000	366,000	119.1
Wine varieties	: 434,200	472,000	553,000	127.4
Total other States:	: 292,394	202,460	312,170	106.8
North Atlantic	: 109,318	71,780	119,740	109.5
South Atlantic	: 16,578	18,840	20,340	122.7
North Central	: 132,038	83,590	134,940	102.2
South Central	: 23,114	17,390	26,860	116.2
Western, excluding Calif.: ..	: 11,346	10,860	10,290	90.7
Total United States ...	: 2,052,394	1,916,460	2,574,170	125.4

^{1/} Includes quantities unharvested on account of market conditions.

Grapes: U.S. Production and Farm Price, and California Production by Types

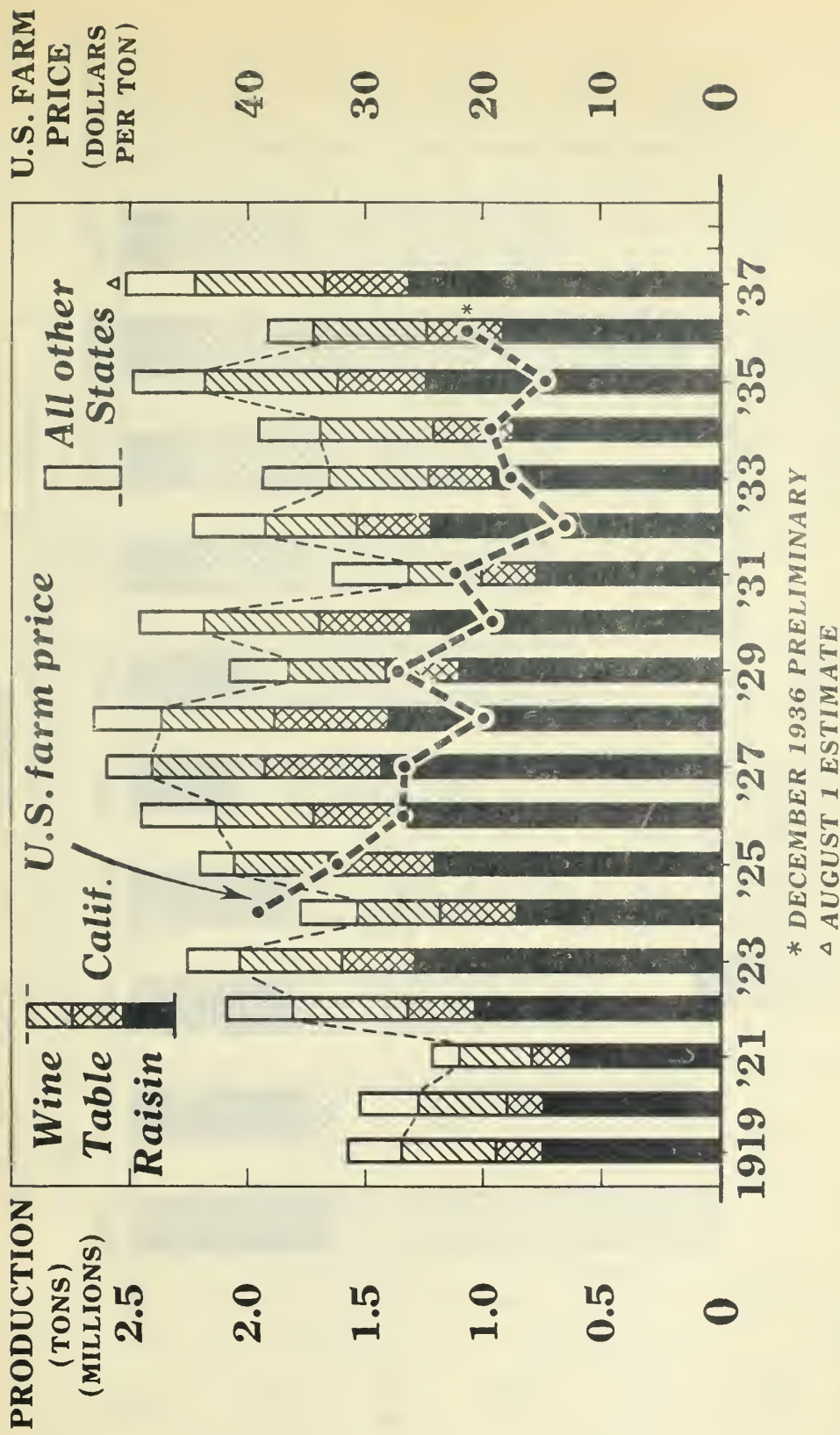


FIGURE 4 -

GRAPES, CALIFORNIA: UTILIZATION OF HARVESTED PRODUCTION OF ALL VARIETIES, 1927 TO DATE

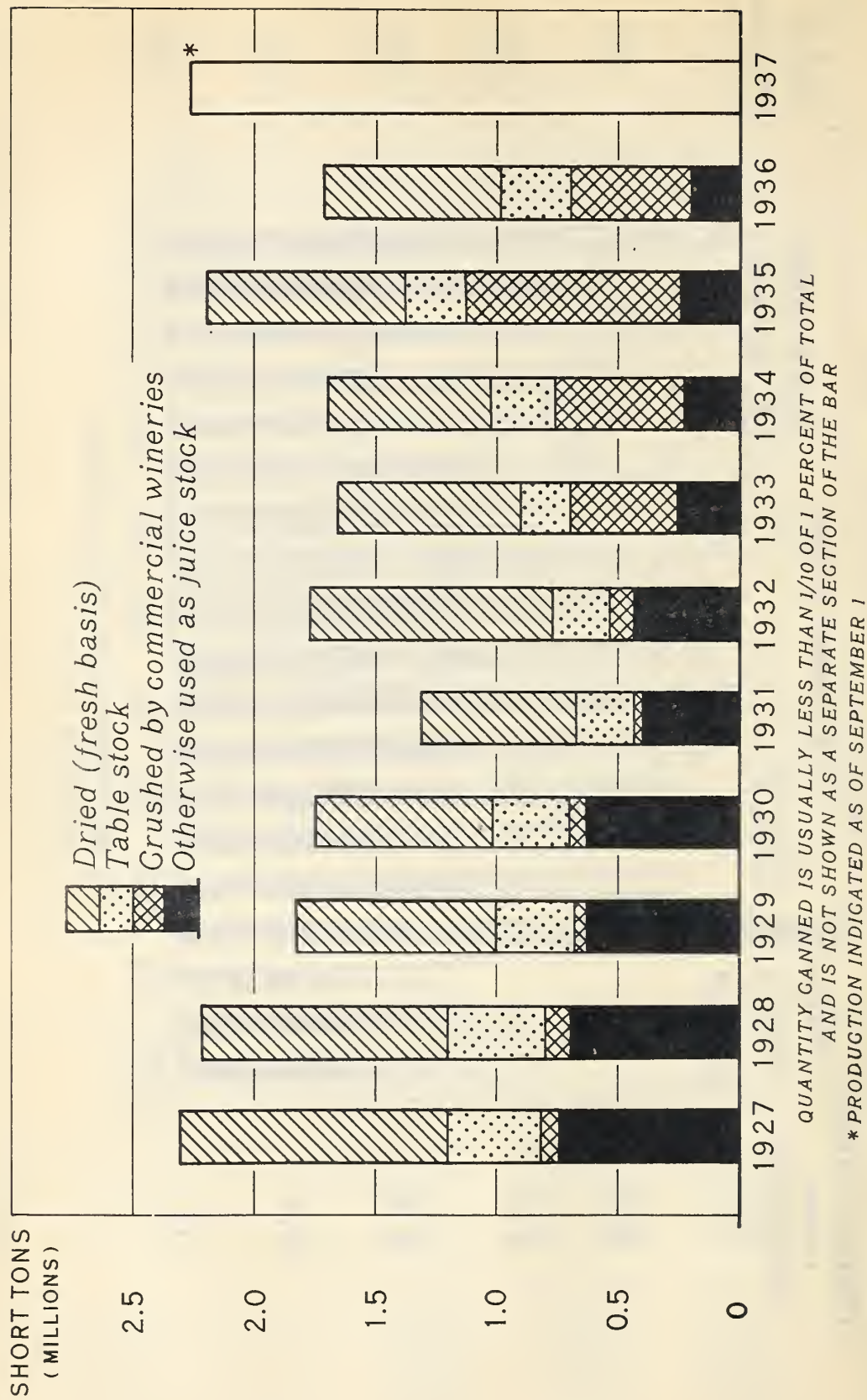


FIGURE 5-

The greatest increase over the crop of last year and the average occurred in the production of raisin varieties, which usually constitute from 55 to 60 percent of the total. Indicated production of these varieties is almost one-third greater than the 1931-35 average. The production of wine varieties, usually about one-fourth of the total crop, is indicated at 27 percent more than average, while the crop of table varieties, which constitute the remainder of California production, is indicated at 19 percent above average.

Partially offsetting the large crop of grapes this year are smaller stocks of certain grape products. Estimates by the trade indicate that stocks of old raisins in California on September 1 were no more than 40,000 tons, compared with approximately 60,000 tons at the beginning of the 1936-37 season. Total stocks of wine on hand June 30 this year were about 13 percent smaller than those of a year ago. If the present upward trend in wine consumption, as indicated by tax-paid withdrawals (table 10), continues during the next year, as now seems probable though the rate of increase may be less, this decrease in stocks becomes even more significant. Stocks of brandy on June 30, 1937, were about 10 percent smaller than those of a year ago.

Table 9.- Still Wine: Stocks on hand June 30, by grades, 1934-37 1/

Year	Not over 14 percent	Over 14 and not over 21 percent	Over 21 and not over 24 percent	Total
	<u>1,000 gals.</u>	<u>1,000 gals.</u>	<u>1,000 gals.</u>	<u>1,000 gals.</u>
1934	30,504	18,774	890	50,168
1935	32,868	23,160	436	56,464
1936	31,449	46,070	1,027	78,546
1937 1/...	26,000	41,500	800	68,300

1/ Preliminary, subject to revision.

Table 10.- Still Wine: Tax paid withdrawals by alcoholic classification, 1933-34 to 1936-37

Fiscal Year	Under 14 percent alcohol:	Over 14 percent alcohol:	Total
	<u>Gallons</u>	<u>Gallons</u>	<u>Gallons</u>
1933-34	5,053,269	9,472,419	14,525,688
1934-35			
July-Dec.	6,408,107	11,715,125	18,123,232
Jan.-June	5,732,485	11,544,683	17,277,168
1935-36			
July-Dec.	8,726,868	16,665,876	25,392,744
Jan.-June	7,057,700	15,023,960	22,081,660
1936-37			
July-Dec.	11,436,442	22,641,332	34,077,774

Production Varies in Other States

The total production of grapes for 1937 outside of California, was indicated on September 1 at 312,170 tons, compared with 202,460 tons in 1936, and the 1921-35 average of 292,394 tons. Grape prospects are much better than last year but below average in New York, Pennsylvania, and Michigan. Indications point to a very large crop in Ohio and to above average crops in Missouri and Arkansas.

Demand and Utilization of 1937 Crop

Consumer buying power is much improved over that of a year ago, and it is likely to remain near present levels, at least during the remainder of 1937 and the early part of 1938. 2/ This means a better demand during the current marketing season for fresh grapes and grape products than in the 1936-37 season.

The demand for grapes on the part of raisin packers and vintners is expected to be better this season than last. "Rising f.o.b. prices for raisins and wine have resulted in a fairly profitable season for raisin packers and vintners. In addition, consumption of commercial wine in the United States during the 1936-37 season appears to have increased about 25 percent over the preceding year, even while wine prices were rising." 3/

Figure 5 shows graphically the estimated utilization of California grapes from 1927 to 1936. In view of existing conditions of demand, supply, and prices it seems likely that in the neighborhood of 1 million tons of California grapes will be dried for raisins this season; about 325,000 tons will be used fresh as table stock; and approximately 200,000 will be used as juice stock in private homes. This would leave approximately 735,000 tons to be crushed by commercial wineries, and indications are that sufficient empty cooperage will be available to accommodate more than 900,000 tons of grapes.

Only about 10 percent of the eastern grape crop is ordinarily used by commercial concerns for making wine and about the same percent for unfermented grape juice. Allowing for small quantities used by commercial preserving companies, we may conclude that at least three-fourths of the total grape crop in the other States, excluding California, is ordinarily used fresh in private homes. Consumer buying power is of primary importance, therefore, as directly affecting the demand for grapes in these States.

2/ See discussion of demand under section on apples, page 6.

3/ Quoted from California Grape Market Situation as of July 21, 1937, by S. W. Shear, Giannini Foundation of Agricultural Economics.

Prices and Income to GrowersCalifornia grapes

It is likely that the improvement in demand will largely offset the effect of larger supplies, and the average price to growers of all California grapes combined this year may be only slightly lower than that of last year. From the standpoint of income to growers the outlook this year is extremely favorable. If this year's large crop of California grapes can be disposed of at prices not greatly lower than those of last year, gross cash income to growers may be from 15 to 20 percent above that of 1936 and the largest since 1929.

Prices of early shipments of California grapes in general have been somewhat higher than those of a year ago. (See table 11.) This has been at least partly due to the late season and consequent lighter shipments thus far. It is not expected that either market prices or f.o.b. prices will continue throughout the season at higher levels than obtained in 1936.

Table 11.- Grapes: Auction prices per lug, New York, and f.o.b. cash track prices, specified periods, 1936 and 1937

Variety	1936					1937					Season to	
	Aug.	Aug.	Sept.	Sept.	Sept.	Aug.	Aug.	Aug.	Sept.	Sept.	September 11	
	15	22	29	5	12	14	21	28	4	11	1936	1937
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
	Auction prices per lug, New York											
Seedless	1.37	1.37	1.26	1.29	1.37	1.63	1.28	1.45	1.67	1.60	1.58	1.75
Alicante	1.16	1.00	.92	.90	.92	---	--	1.48	1.29	1.08	.94	1.15
	F.o.b. cash track price per lug											
Seedless	.75	.72	.70	.71		.83	.74	.70	.71	.70		
	F.o.b. cash track price, bulk per ton											
Zinfandel	32.92	33.33				--	--	40.00		44.58		
	32.92		34.38					43.75				

Grapes in other States

As in the case of California grapes, prices of grapes from other producing regions are expected to be only slightly below the relatively good prices of last year. The improvement in demand seems sufficient to offset largely the effect of larger supplies. If prices do average near those of last year, this year's large crop will bring a gross cash income to growers larger than that of last year and considerably above that of any of the depression years.

Table 14.- Grapes, Concord: Average l.c.l. price per 12-quart basket, specified markets, by State of origin, October 1927-36

Season	Price of New York Concord at-				Price of Michigan Concord at		
	Boston	New York	Philadel-	Pitts-	Chicago	Minne-	St. Louis
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1927	56	61	64	64	55	76	65
1928	60	54	49	51	44	59	53
1929	50	54	51	48	41	56	49
1930	57	51	54	48	41	53	56
1931	---	36	34	29	32	44	42
1932	32	31	31	24	18	26	23
1933	38	35	36	29	26	---	31
1934	43	41	43	36	31	36	35
1935	37	33	32	27	23	33	27
1936	56	50	59	52	48	54	55

Table 12.- California farm price of grapes by classes, 1919-36

Crop year	All varieties	Wine varieties	Table varieties	Raisin varieties	
				Marketed fresh	Dried
	Price per fresh ton			Per dry ton	
	1	2	3	4	5 1/2 6
	Dollars	Dollars	Dollars	Dollars	Dollars
1919	55	50	75	--	56 210
1920	65	75	75	40	63 235
1921	62	82	80	40	51 190
1922	41	65	60	30	28 105
1923	22	40	40	20	12 45
1924	33	63	40	20	19 70
1925	28	60	20	20	21 80
1926	25	45	25	20	19 70
1927	24	45	26	23	16 60
1928	16	25	26	10	11 40
1929	24	35	35	20	16 61
1930	16	20	2/ 21	2/ 13	16 59
1931	20	19	35	25	16 60
1932	12	12	16	19	10 39
1933	16	20	15	17	15 57
1934	17	15	23	20	17 64
1935	13	12	15	12	15 56
1936 ^{3/}	19	17	26	19	18 69

1/ Column 6 divided by 3.75. 2/ Includes returns from Control Board for unharvested grapes as well as returns from fresh raisin grapes actually marketed.
3/ Data for 1936 are preliminary.

Sources of data: Data compiled by S.W. Shear, Giannini Foundation of Agricultural Economics, College of Agriculture, University of California, June 22, 1937, from official reports of United States and California Cooperative Crop Reporting Service, except col. 5, which is calculated by dividing items in col. 6 by 3.75.

Table 13.- Grapes: Number of packages of California varieties sold, and weighted season average price, 1/ auction sales in 11 markets, 2/ 1931-36

Variety or type	3/Number of packages (crates or lugs)						Average price per package					
	1931	1932	1933	1934	1935	1936	1931	1932	1933	1934	1935	1936
	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Del.	Del.	Del.	Del.	Del.	Del.
Flame Tokay:	1,591	1,480	1,469	1,332	1,206	1,137	1.59	1.10	1.18	1.34	1.14	1.37
Emperor :	991	703	649	788	830	1,208	1.61	1.11	1.34	1.67	1.34	1.54
Red Malaga :	157	274	195	275	386	264	1.93	1.17	1.65	1.79	1.37	1.71
Ribier :	184	251	224	346	374	365	1.71	1.43	1.51	1.74	1.39	1.70
Sultana :												
(Thompson :												
seedless) :	1,555	2,237	1,779	2,329	2,249	2,391	1.53	1.27	1.43	1.52	1.37	1.53
Malaga :	2,976	1,351	1,162	1,558	978	1,075	1.22	.90	1.11	1.15	1.13	1.26
Muscat :	931	2,770	1,467	807	1,170	541	1.18	.76	.99	1.11	.94	1.16
Alicante :												
Bouschet :	3,480	3,845	1,957	2,339	1,989	1,239	1.16	.91	1.07	1.08	1.05	1.31
Carignane :	1,654	1,476	737	858	922	354	1.11	.73	.98	1.02	.85	1.18
Cernichon :	264	132	147	163	163	168	1.26	.94	1.10	1.29	1.05	1.36
Matare :	172	204	40	31	53	17	.99	.85	1.01	.97	1.00	.97
Mission :	308	179	127	50	72	87	1.15	.68	.92	1.10	1.00	1.34
Petit Sirah:	113	152	16	26	27	13	.92	.88	1.22	1.02	1.05	1.20
Zinfandel :	624	1,309	627	598	745	499	1.05	.95	1.13	1.16	1.10	1.23
Total or :												
average :	15,000	16,363	10,596	11,500	11,164	9,358	1.29	.96	1.17	1.29	1.15	1.41

1/ Season begins about August 1 and ends in November.

2/ Baltimore, Boston, Chicago, Cincinnati, Cleveland, Detroit, Minneapolis, St. Paul, New York, Philadelphia, Pittsburgh, and St. Louis.

3/ Packages containing about 26-28 pounds.

